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C O N F I D E N T I A L SECTION 01 OF 02 KUWAIT 000498

SIPDIS

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TREASURY FOR OFAC DIRECTOR RNEWCOMB; TREASURY FOR JZARATE
TREASURY TASK FORCE ON TERRORIST FINANCING
PARIS FOR PETER KUJAWINSKI AND UZRA ZEYA
TUNIS FOR NATALIE BROWN

E.O. 12958: DECL: 02/11/2014

TAGS: [EFIN](#) [ECON](#) [ETTC](#) [PTER](#) [PREL](#) [KU](#)

SUBJECT: (C) TERRORIST FINANCE: KUWAITIS WAITING FOR LDI
TRANSACTION INFORMATION

REF: A.) 04 KUWAIT 494 B.) 04 KUWAIT 481

Classified By: CDA Frank C. Urbancic for reasons 1.4 (b) and (d)

1. (C) Summary: Econoff met with MP Nasser Al-Sane on February 8 to follow up on the Office of Foreign Assets Control's (OFAC) January visit to Kuwait. Al-Sane detailed the history of his efforts to get the Kuwaiti charity Lajnat Al Da'awa Al-Islamiyah (LDI) de-listed as a United Nations-designated terrorist supporting organization and asked the Embassy to work within the USG and with the Government of France (GOF) to this end. He reiterated (Ref. A) that the GOF told him it would consider de-listing LDI if the USG did so first. Al-Sane said LDI stands by its previous claims that no transactions were made from its accounts after a Central Bank of Kuwait (CBK)-issued freeze order went into effect. He said he and the LDI look forward to clearing up any remaining doubts about said transfers, and to this end are waiting for information on the transactions promised by OFAC Director Newcomb during their meetings in October 2003 and January 2004. End Summary.

2. (C) Econoff met with Islamist MP Nasser Al-Sane on February 8 to follow-up on issues still pending after OFAC's January 19 meeting with the MP and the leadership of LDI. Al-Sane began by recounting in detail his efforts to clear LDI of charges it is an organization that supports terrorism and thereby get the charity de-listed by the UN. Al-Sane said he visited Paris in early 2003 to discuss the UN listing with the GOF (Note: France initiated the UN's listing of LDI. End Note.) and was told that France would consider de-listing LDI only if the United States agreed to do so first. Upon return to Kuwait, Al-Sane arranged an August trip to the US with the help of Ambassador Jones. There, he met with Afghanistan Coordinator Ambassador William Taylor, who he said urged the continued involvement of Kuwaiti charities in Afghanistan. Al-Sane also met with Treasury officials, who he said assured him that the USG was not the primary obstacle to the de-listing, and with the French, Kuwaiti and US missions to the UN. Al-Sane said the Kuwaiti mission to the UN has been attempting to work with its French counterpart in the matter, but have so far been unsuccessful.

3. (C) During OFAC's first visit to Kuwait, in October 2003, Al-Sane said FM Shaykh Dr. Mohammed Al-Sabah had extracted a pledge from OFAC Director Newcomb that the USG would share information regarding suspicious charity financing activity with the GOK before taking any action. Al-Sane said he was "shocked" when in a subsequent meeting Newcomb presented evidence of dubious transactions to LDI -- not the GOK.

4. (C) OFAC had raised the issue of post-freeze transactions during both of its 2003 and 2004 visits to Kuwait. Al-Sane maintains that contrary to OFAC claims, no transactions have been made to or from LDI's accounts since the Central Bank of Kuwait issued a freeze order on its assets after LDI's listing by the UN. He said he and the LDI leadership are awaiting specific information on the transactions, as was promised by OFAC during both its October 2003 and January 2004 visits, so that they can clear up any remaining doubts. Al-Sane said Newcomb told him this information would be available "in 8 weeks, maximum" during their January 2004 meeting.

5. (C) When asked what would happen if it were concluded that LDI did make transactions after the freeze, Al-Sane admitted "there would be a case" against them. Al-Sane asked Econoff to work within the USG and with the GOF on getting LDI de-listed. He said that there were numerous legitimate charity projects that were halted by the asset freeze, and referred to their delays as "humanitarian issues." Al-Sane said the French have continued to tell the Kuwaitis that they will consider the issue of delisting only if the USG acts first, and French promises to look into the matter (most recently French FM de Villepin's promise to the Kuwaiti FM during his January visit to Kuwait) have produced no results.

16. (C) During a 7 February counterterrorism action group (CTAG) meeting hosted by Embassy Kuwait (Ref. B), French Ambassador to Kuwait Claude Losguardi raised the issue of Lajnat al-Dawa al-Islamiya. The ambassador said that he had met with the head of Consular Affairs at the Kuwaiti Ministry of Foreign Affairs, whom the ambassador characterized as very aggressive in asking the French to delist LDI. That official had claimed the USG was asking LDI to resume activity in Afghanistan. Acting DCM Richard Bell, who was chairing the meeting assured the ambassador that the US continued to support the designation of LDI.

17. (C) Comment: It is clear from Al-Sane's approach and comments that he is hoping that OFAC will recommend delisting LDI as a result of its visits to Kuwait; at the very least, he is expecting to receive the transaction information he said was promised by Newcomb so that LDI can respond to accusations it moved assets after the freeze.
URBANCIC